

Message Text

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ACTION EB-08

INFO OCT-01 ISO-00 AF-08 ARA-06 EA-07 EUR-12 NEA-10 IO-13

OIC-02 AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03

H-01 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01

AID-05 SS-15 STR-04 ITC-01 TRSE-00 USIA-06 PRS-01

SP-02 FEAE-00 OMB-01 /132 W

-----041341Z 021828 /46

R 041037Z MAR 77

FM USMISSION GENEVA

TO SECSTATE WASHDC 5647

INFO AMEMBASSY BELGRADE

AMEMBASSY BERLIN

AMEMBASSY BRASILIA

AMEMBASSY BUENOS AIRES

AMEMBASSY CANBERRA

AMEMBASSY HELSINKI

RUDKFDQAMEMBASSY LISBON 740-741

AMEMBASSY MONTEVIDEO

AMEMBASSY RABAT

AMEMBASSY ROME

AMEMBASSY WELLINGTON

USMISSION EC BRUSSELS

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E.O. 11652: N/A

TAGS: GATT, ETRD

SUBJECT: GATT COUNCIL, MARCH 2

REF: A. STATE 44501 B. STATE 44288

FOLLOWING IS SUMMARY OF ACTION TAKEN IN MARCH 2 GATT COUNCIL.

PLEASE NOTE THAT WASHINGTON ACTION IS REQUIRED ON SEVERAL ITEMS.

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1. MOROCCO OBSERVER STATUS IN GATT. APPROVED FOR COUNCIL, WORKING PARTIES, AND OTHER REGULAR GATT BODIES.

2. ITALIAN MONETARY MEASURES. ITALY CONFIRMED SURTAX WAS REMOVED AS SCHEDULED. EC, REFERRING INDIRECTLY TO THE INTERNAL EC STRUGGLE OVER WHETHER ITALY SHOULD HAVE SUBMITTED TO THE GATT EXAMINATION, TOLD COUNCIL THE WP

EXAMINATION HAD BEEN A USEFUL EXPERIENCE. U.S. WELCOMED SURTAX REMOVAL AND APPROVED ADOPTION OF REPORT BUT RECOMMENDED THAT WO REMAIN IN EXISTENCE UNTIL PRIOR DEPOSITS ELIMINATED. CANADA AND SWITZERLAND SUPPORTED AND COUNCIL AGREED.

3. SOUTH AFRICA -- WP REPORT ON IMPORT DEPOSITS. ADOPTED.

4. BALANCE OF PAYMENTS COMMITTEE REPORTS.

A. ISRAEL. ADOPTED.

B. PORTUGAL. PER STATE 45205, U.S. REGRETTED CIRCUMSTANCES REQUIRING PORTUGAL TO INTENSIFY RESTRICTIONS, HOPED THEY WOULD BE REMOVED AS SOON AS PRACTICABLE, AND REQUESTED INFORMATION ON EXTEND OF QR'S. PORTUGAL SIAD THEY HOPED TO NOTIFY MEASURES SOON.

C. YUGOSLAVIA. CANADA, U.S. EXPRESSED DISAPPOINTMENT OVER RECENT EXTENSION AND PARTIAL INTENSIFICATION OF RESTRICTIONS AND HOPED FOR EARLY REMOVAL. YUGOSLAVIA SAID BOP SITUATION HAD GEGUN TO WORSEN,

D. MINI-CONSULTATIONS. BOP COMMITTEE CHAIRMAN JAGMITTI STATED THAT ONLY FIVE OF THE PAST 24 MINI-CONSULTATIONS HAD RESULTED IN FULL CONSULTATIONS AND ADDED THAT CP'S MAY WISH IN FUTURE CONSIDER INVOKING MORE FULL CONSULTATIONS. REPORTS ADOPTED.

E. 1977 BOP CONSULTATIONS. ARGENTINA INQUIRED ANXIOUSLY RE CALENDAR OF EXAMINATIONS. DIRECTOR-GENERAL SAID EXACT DATES WOULD BE ESTABLISHED IN CONSULTATION WITH INTERESTED DELS. APPROVED.

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5. WP REPORT ON TRADE WITH ROMANIA. ROMAINA THANKED WP MEMBERS FOR SPIRIT OF COOPERATION. ADOPTED.

6. CARICOM WP REPORT. ADOPTED.

7. FINDLAN-GDR WP REPORT. CANADA REGRETTED ABSENCE OF GDR IN WP, WHICH MADE IT DIFFICULT TO OBTAIN USEFUL ANSWERS, AND TRUSTED IT WULD BE POSSIBLE TO HAVE A MORE PRODUCTIVE MEETING IN FUTURE. FINLAND SAID THEY INTENDED TO PROVIDE RELEVANT STATISTICS FOR BOTH PARTIES. COUNCIL ADPOTED INTERIM REPORT AND NOTED WP TO MEET AGAIN WITHIN EIGHTEEN MONTHS.

8. ITC REPORTS. INDIA, NORDICS, EGYPT, ARGENTINA, URUGUAY SAID IMPLEMENTATION OF ALL RECOMMENDATION IN JAG REPORT WUULD REQUIRE MORE FUNDS THAN CURRENTLY AVAILABLE. NORDICS ADDED THAT BETTER SHARING OF BURDEN WAS NEEDED FOR FINANCING ITC ACTIVITIES. ITC DIRECTOR

SAID CENTER WAS CURRENTLY EXAMINING WAYS TO CUT COSTS
IN ORDER TO MEET OBLIGATIONS WITHIN EXISTING BUDGET.
REPORT ADOPTED AND RECOMMENDATIONS APPROVED.

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PA-01 AID-05 SS-15 STR-04 ITC-01 TRSE-00 USIA-06
PRS-01 SP-02 OMB-01 /133 W
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R 041037Z MAR 77
FM USMISSION GENEVA
TO SECSTATE WASHDC 0000
INFO AMEMBASSY BELGRADE
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9. AUSTRALIA-PAPUA/NEW GUINEA AGREEMENT. COUNCIL
ESTABLISHED CUSTOMARY WORKING PARTY WITH STANDARD TERMS
OF REFERENCE TO EXAMINE AGREEMENT IN LIGHT OF RELEVANT
PROVISIONS OF GATT. COUNCIL CHAIRMAN WILL NOMINATE WP
CHAIRMAN IN CONSULTATION WITH INTERESTED DELS.
WASHINGTON ACTION REQUIRED: QUESTIONS ON AGREEMENT ARE
DUE BY APRIL 15.

10. ARAB COMMON MARKET REPORT. NOTED.

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1. BRAZILIAN WAIVER EXTENSION. PER STATE 44501, U.S. SUPPORTED ONE-YEAR EXTENSION TO END OF MARCH 1978 BUT STATED WE EXPECT COMPENSATION BE NEGOTIATED PROMPTLY WITHIN THE TIME PERIOD PROVIDED. EC, IN SUPPORTING WAIVER EXTENSION, SAID LDC'S IN GATT SHOULD TAKE NOTE HOW GATT ALLOWS SPECIAL CONSIDERATION, AS WITH THIS FURTHER WAIVER EXTENSION. JAPAN AND CANSDA ALSO SUPPORTED WAIVER EXTENSION BUT HOPED FOR EARLY CONCLUSION TO NEGOTIATIONS. NOTE: NEW SCHEDULE III-BRAZIL HAS JUST BEEN CIRCULATED AS GATT DOCUMENT L/4476; BEING POUCHED NORMAL WASHINGTON DISTRIBUTION. TEXT OF WAIVER EXTENSION APPROVED BY COUNCIL AND ADOPTION BY CP'S RECOMMENDED. WASHINGTON ACTION REQUIRED: MISSION REQUIRES AUTHORITY TO VOTE FOR.

12. DISC AND RELATED TAX PRACTICES. GENEVA 1521 AND ADDITIONAL SEPTEL.

13. GATT SALARIES AND ALLOWANCES. SEE SEPTEL.

14. OTHER BUSINESS.

A. FINNISH ARTICLE XIX RESTRICTIONS ON PANTYHOSE. SINGAPORE COMPLAINED THAT FINNISH ACTION USES PRICE BREAK AND WAS NOT PRECEDED YB ADVANCE NOTICE OR CONSULTATIONS; IN BOTH RESPECTS VIOLATES ARTICLE XIX. SAID ACTION SHOULD HAVE BEEN TAKEN UNDER MFA. FINLAND MERELY SAID ACTION HAD BEEN NOTIFIED AND PROMISED MAKE ADDITIONAL INFORMATION AVAILABLE.

B. U.S. IMPORT RESTRICTIONS ON BEEF. NEW ZEALAND REPORTED TO COUNCIL THEIR VIEWS OF ARTICLE XXII CONSULTATIONS WITH U.S. AND SAID U.S. ACTION IN 1976 HAD BEEN WITHOUT GATT COVER AND ADDED THAT QUOTA PROVISIONS OF U.S. MEAT IMPORT LAW WERE GENERALLY INCONSISTENT WITH U. S. OBLIGATIONS UNDER THE GATT. THEY SAID GIVEN THIS QUESTIONABLE CINSISTENCY, U.S. HAS RESPONSIBILITY
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TO BE PARTICULARLY SCRUPULOUS IN THE ADMINISTRATION OF THIS REGIME AND TO BE CONTINUALLY ALERT TO WAYS IN WHICH IT CAN BE IMPROVED WITH THE AIM OF SECURING A GREATER U.S. CONTRIBUTION TO LIBERALIZATION OF WORLD TRADE IN BEEF. ADDED THAT CANADIAN RESTRICTIONS ON BEEF IN 1976 WERE ALSO OF DOUBTFUL VALIDITY AND SAID BOTH ACTIONS HIGHLIGHT NEED FOR MTN PROGRESS TO

IMPROVE WORLD TRADE CONDITIONS FOR BEEF. AUSTRALIA SAID THEY UNDERSTOOD AND SHARED NEW ZEALAND CONCERNS BUT NOTED THAT THE OBSERVATIONS SHOULD NOT BE CONFINED TO THE U.S. AND CANADA.

C. U.S. IMPORT INVESTIGATION ON FOOTWEAR. URUGUAY SIAD ITC RECOMMENDATION GOES BEYOND PRESIDENT'S 1976 DECISION. ADOPTION OF RECOMMENDATIONS WOULD VIOLATE COMMITMENTS TO LCD'S IN GATT AND WOULD CONSTITUTE A FORMAL DENIAL OF THE POLICIES THE U.S. CLAIMS IT IS DEFENDING IN INTERNATIONAL RELATIONS. URUGUAY ADDED THAT SUCH EXAMINATIONS TEND TO OCCUR IN U.S. WITH ALARMING FREQUENCY AND STRAIN CREDIBILITY OF GATT. U.S. PROMISED REPORT URUGUAY'S CONCERN TO OUR AUTHORITIES AND NOTED THAT OUR NOTIFICATION OF THE ITC RECOMMENDATION SHOULD APPEAR IN GATT DOCUMENT FORM ANY DAY.

D. EXTENSION OF BRAZILIAN TRADE RESTRICTIONS. PER STATE 45379, U.S. SAID WE HAD UNDERSTOOD THERE WERE NEW TRADE RESTRICTIONS IN BRAZIL AND WONDERED WHETHER THIS INFORMATION WERE ACCURATE. BRAZIL SAID THEY HAD RECEIVED NO OFFICIAL INFORMATION BUT WOULD NOTIFY GATT OF ANY ARRIVED.

E. CHAIRMAN OF BUDGET COMMITTEE. FEIJ OF NETHERLANDS APPROVED.

F. CHAIRMAN OF BANGKOK AGREEMENT WP. LEMMEL OF SWEDED APPROVED.CATTO

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Message Attributes

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Disposition Approved on Date:
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